

LBNL – PROCUREMENT STANDARD PRACTICES

Section: 9 Subcontractor Qualifications

Subject: 9.1 Subcontractor Responsibility

PURPOSE: This standard practice (SP) describes the procedures for ascertaining whether prospective subcontractors are responsible.

POLICY: It is the Laboratory's responsibility to award subcontracts to responsible subcontractors only.

SCOPE: This SP applies to all subcontracts.

DEFINITION:

Preaward Survey

A preaward survey is an evaluation by the Laboratory or other acceptable surveying activity of a prospective subcontractor's capability to perform a proposed subcontract.

Responsible Subcontractor

A responsible subcontractor is one that has demonstrated ability to perform as required by the proposed subcontract. The following are the attributes of a responsible subcontractor:

- Have or have the ability to obtain adequate financial resources to perform the subcontract;
- Be able to comply with the required or proposed delivery or performance schedule;
- Have or have the ability to obtain the necessary organization, experience, accounting and operational controls, and technical skills;
- Have the necessary production, construction, and technical equipment and facilities or the ability to obtain them;
- Be otherwise qualified and eligible to receive an award under applicable laws and regulations; and
- Have a satisfactory performance record.

PROCEDURES:

Determinations

Known suppliers with a current record of satisfactory performance and reliability may be considered prequalified for goods and services they have previously supplied.

The following sources of information may be used to support determinations of responsibility or nonresponsibility:

- The *GSA Excluded Parties List System (EPLS)* (see SP 9.2, *Debarment, Suspension, and Ineligibility*);
- The prospective subcontractor, including offers or proposal information, questionnaire replies, financial data, information on production equipment, or personnel information;
- A preaward survey; and

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- Other sources such as publications, suppliers, subcontractors, and customers of the prospective subcontractor, financial institutions, government agencies, and business or trade associations.

Preaward Survey — A preaward survey may be conducted when the information on hand or readily available is not sufficient to make a determination of responsibility. A preaward survey should not be requested for subcontracts of \$100,000 or less unless the circumstances justify the cost. Before initiating a preaward survey, the *GSA EPLS* must be reviewed (see SP 9.2, *Debarment, Suspension, and Ineligibility*) to ascertain whether the prospective contractor is debarred or otherwise ineligible for award of a subcontract.

Approval and issuance of a subcontract constitutes a determination that the prospective subcontractor is responsible.

Documentation

A memorandum outlining a specific finding of nonresponsibility must be included in the subcontract file.

REVIEWS/ APPROVALS:

DOE

DOE approval is required before a subcontract can be awarded to a subcontractor on the *GSA EPLS*.

Procurement Manager

Approval of the Procurement Manager is required to reject an offer on the basis that a prospective subcontractor has been found to be nonresponsible.

RESPONSIBILITIES:

Procurement Specialist

The procurement specialist must:

- Possess or obtain sufficient information to ensure that a prospective subcontractor is responsible;
- Investigate any unfavorable information about a proposed subcontractor of which he or she becomes aware; and
- Include an approved memorandum of non-responsibility and any documents or reports that support the determination in the subcontract file.

Procurement Manager

The Procurement Manager must review and approve rejection of an offer on the basis that a prospective subcontractor is non-responsible.

REFERENCES:

Prime Contract Clause I.10 - Protecting the Government's Interest When Subcontracting With Contractors Debarred,

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Suspended, or Proposed for Debarment
Prime Contract Clause I.114 - Contractor Purchasing System